

**Before the State of South Carolina  
Department of Insurance**

In the matter of: )

Royal Indemnity Company, )

2711 Centerville Road )  
Wilmington, DE 19808 )  
\_\_\_\_\_ )

SCDI File Number 115849


**Consent Order  
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Royal Indemnity Company, (Royal Indemnity) an insurer licensed to transact insurance business within the State of South Carolina.

I hereby find as fact, that Royal Indemnity failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission in the proceeding entitled Shelia Smith v. UNUM Insurance Company, SCWCC file number 9831721, in the amount of \$220. Royal Indemnity also acknowledges, and I find as fact, that it failed to pay that same judgment within fifteen days of being notified by the Department of its need to do so. This is a direct violation by Royal Indemnity of § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the State of South Carolina, following a public hearing before the Administrative Law Judge Division.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, Royal Indemnity and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke Royal Indemnity's certificate of authority to transact business as an insurer within the State of South Carolina, the insurer would waive its right to a public hearing and immediately submit to the Department an administrative penalty in the total amount of \$1,000.

After a thorough review of the matter, and after carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, although I can now revoke Royal Indemnity's certificate of authority, I hereby impose an administrative penalty in the amount of \$1,000 against the insurer pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2002). The administrative penalty must be paid within ten days of my date and my signature upon this consent order. If this amount is not paid on, or before, that date, then Royal Indemnity's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

 Royal Indemnity Company

This administrative penalty has been reached by the parties as a result of Royal Indemnity's full payment of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand Royal Indemnity's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Royal Indemnity acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2002).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2002), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Royal Indemnity Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000. It is hereby acknowledged by the Department that said \$1000 administrative penalty has been received by the Department.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

This consent order becomes effective on the date of my signature below.



Ernst N. Csiszar  
Director

24 Mar, 2003, at  
Columbia, South Carolina

GB Royal Indemnity Company

I CONSENT:

Danl Blevins  
Signature of Authorized Representative

Gail Blevins  
Name

Claims Manager  
Title

Royal Indemnity Company  
2711 Centerville Road  
Wilmington, DE 19808

Dated this 14 day of <sup>March</sup> ~~January~~, 2003